

Intercollegiate Broadcasting System

Internal Memorandum

November 8, 1946

To: Managers and Business Managers of all stations

From: Dave Linton, N. Y.

Enclosed is a copy of the proposed national rate card number 4, to be effective as soon as we have decided on it. Lew Avery and Art Sherin of Avery-Knodel consulted with us on this draft, and they have asked other leaders in the radio industry for suggestions. We are referring this suggestion to our stations and to the members of the Board of Directors for comment.

You will see that the rates have not changed, but there are proposed several changes in the discount structure, and Network rates are covered as well as rates for programs originated locally in each station. The purpose of discounts is, of course, to encourage the client to 1) take more programs and 2) place them on more stations. While suggesting a group discount (for taking more stations) in addition to frequency discount, we have suggested reducing the frequency discount so that the maximum obtainable discount now comes out to 21.375% instead of the 25% formerly granted. The group discounts are figured on the amount remaining after deduction of frequency discounts, so an account with a contract gross before discount of \$10,000 looks like this:

Gross before discounts	10,000
Frequency discount - 5% (26 times)	<u>500</u>
	9500
Group Discount - $7\frac{1}{2}\%$ for 3 groups	<u>712.50</u>
Advertiser pays	8,788.50
Agency commission - 15%	<u>1,318.27</u>
	7,470.23
Representative's commission 15%	<u>1,120.53</u>
	6,359.70
Stations receive	

Please look this over and make any suggestions that occur to you.

Dave Linton

For the first time, the Board of Directors of the National Association of Broadcasters has taken a step which is a real contribution to the cause of the radio. It has decided to set up a committee to study the problem of the radio and to report to the Board at its next meeting. This is a very important step, and it is one which we all hope will lead to a more effective and efficient radio service for the people.

The Board of Directors of the National Association of Broadcasters has also decided to set up a committee to study the problem of the radio and to report to the Board at its next meeting. This is a very important step, and it is one which we all hope will lead to a more effective and efficient radio service for the people.

10,000	Group before discount
500	Frequency discount - 5% (25 times)
9,500	Group discount - 10% for 3 groups
8,550	Agency commission - 10%
7,695	Representative's commission 10%
6,922.50	Station's net

Please find this over and note any suggestions that occur to you.

Paul H. Hays